

EXHIBIT 1

SFC disposition

**Agreement by and between Apollo Diamond, Inc. and Edward S. Adams
Dated as of January 2, 2012**

WHEREAS, Apollo Diamond, Inc, together with its subsidiaries and affiliates (the "Corporation") owes E. Adams, R. Linares, B. Linares and others millions of dollars in accrued and unpaid wages/fees/etc.;

WHEREAS, the Corporation will continue to have potential ongoing issues relating to its asset sale and other potential legal, financial and other issues;

WHEREAS, the shareholders of the Corporation may be liable to creditors of the Corporation under Delaware Corporate Law ("DCL") in certain circumstances;


WHEREAS, E. Adams (and his wife) own millions of warrants and/or shares in the Corporation (the "Equity Participation");

WHEREAS, R. Linares believes it is in the best interest of the Corporation for E. Adams to serve in a capacity—as an advisor—where he addresses ongoing issues that may arise for the next five years and agrees to be responsible for any and all obligations the Corporation's shareholders might have under the DCL with respect to creditor claims; provided, however, that such liability shall not exceed \$300,000;


WHEREAS, R. Linares also believes it is in the best interests of the Corporation that E. Adams sell all of his outstanding Equity Participation back to the Corporation and release the Corporation from all outstanding liability to him in every form or in any manner;

RESOLVED, that R. Linares hereby directs the Corporation (when able) to purchase all of E. Adams' Equity Participation for the sum of \$300,000, with the understanding that E. Adams shall release the Corporation from any and all liabilities owed to him and shall be responsible for up to \$300,000 of the Corporation's liability pursuant to the DCL;

FURTHER RESOLVED, that for a period of five years E. Adams will serve as an advisor to Corporation and assist the Corporation with respect to issues—legal, business and otherwise—that might arise during this five year period.


Robert C. Linares

Sole Director of Apollo Diamond, Inc.


Edward S. Adams